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Report

drawn up on behalf of the Committee on Agriculture
on Article 6 of the proposal from the Commission
of the European Communities to the Council
(Doc. 564/77) for a regulation amending Regulation
(EEC) No. 816/70 laying down additional provisions
for the ~~common~~ organization of the market in wine.

Rapporteur: Mr A. LIOGIER

PE 53.863/fin.

1.2.1

By letter of 27 February 1978 the President of the Council of the European Communities requested the European Parliament, pursuant to Article 43 of the EEC Treaty, to deliver an opinion on the proposals from the Commission of the European Communities to the Council for

- the setting up of a European Joint-Trade Table Wine Organization
- a regulation amending Regulation (EEC) No. 816/70 laying down additional provisions for the common organization of the market in wine.

The President of the European Parliament referred these proposals to the Committee on Agriculture as the committee responsible and to the Committee on Budgets for its opinion.

On 30 and 31 March 1978 the Committee on Agriculture appointed Mr Liogier rapporteur.

It considered these proposals at its meeting of 18 and 19 May 1978.

By letter of 23 May 1978 the Council informed the President of the European Parliament that at its 516th meeting from 8 to 12 May 1978 it had noted that the abovementioned proposals had been withdrawn by the Commission, with the exception of Article 6 of the proposal amending Regulation (EEC) No. 816/70.

At its meetings of 22 and 23 June and 4 July 1978, the Committee on Agriculture considered Article 6 of this proposal and unanimously adopted the motion for a resolution at the latter meeting.

Present: Mr Kofoed, chairman; Mr Liogier, vice-chairman and rapporteur; Mr Hughes, vice-chairman; Mr Andersen, Mr Brégère, Mr Corrie, Mr Dewulf, Mrs Dunwoody, Mr Durand, Mr Früh, Mr Howell, Mr Klinker, Mrs Krouwel-Vlam, Mr Lemp, Mr L'Estrange and Mr Scott-Hopkins.

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The Committee on Agriculture hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement:

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on Article 6 of the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation No. 816/70 laying down additional provisions for the common organization of the market in wine

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council¹,
 - having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc. 564/77),
 - having regard to the report of the Committee on Agriculture (Doc. 229/78),
1. Reserves its position on paragraphs 1 and 5 of Article 6 since it considers that these policy measures should be incorporated in the new proposals designed to reorganize the Community market in table wine;
 2. Approves the technical measures set out in paragraphs 2, 3, 4, 6 and 7 of Article 6;
 3. Advocates, however, with regard to paragraph 3 of Article 6, the retention of the present wording of Regulation (EEC) No. 816/70;
 4. Invites the Commission, therefore, to reconsider its proposal along the lines of the following amendment, proposed pursuant to the second paragraph of Article 149 of the EEC Treaty.

¹ OJ No. C 71, 22.3.1978, p.2

Article 6

Article 6

Paragraphs 1 and 2 unchanged

3. Article 24(2) is amended as follows:

'2. With the exception of the producers referred to in paragraph 5 and except by way of derogation decided by the Council, acting by a qualified majority on a proposal from the Commission, any natural or legal person or group of such persons who produces:

- grape must or concentrated grape must from fresh grapes,
- wine from fresh grapes, grape must, grape must in fermentation or new wine still in fermentation,

shall be required to distil the wine lees and grape marc which result from the process or, failing that, a corresponding quantity of wine from his own harvest.'

3. Article 24(2) is amended as follows:

'2. With the exception of the producers referred to in paragraph 5 and except by way of derogation decided by the Council, acting on a proposal from the Commission, in accordance with the voting procedure laid down in Article 43(2) of the Treaty, any natural or legal person or group of such persons who produces:

- grape must or concentrated grape must from fresh grapes,
- wine from fresh grapes, grape must, grape must in fermentation or new wine still in fermentation,

shall be required to distil the wine lees and grape marc which result from the process or, failing that, a corresponding quantity of wine from his own harvest.'

Paragraphs 4, 5, 6 and 7 unchanged

¹ For full text see OJ No. C71, 22.3.1978, p.2

B

I. INTRODUCTION

1. The main feature of the Community wine market in 1976/77 was a persistent imbalance between supply and demand.

Wine production amounted to 147 million hectolitres and direct human consumption to 130 million hectolitres.

There were no special distillation measures in 1976/77 (2.2 million hl. in 1975/76) but normal management measures on this market led to the distillation of 5.2 million hl.

Storage contracts were concluded for a monthly average of 12.5 million hl. (17 million hl. in 1975/76) with a maximum of 21.8 million hl. (27.8 million hl. in 1975/76).

Finally, producers' and traders' stocks amounted to 78.3 million hl. at the beginning of the 1976/77 marketing year and had reached 80.5 million hl. at the end of that year.¹

2. The action taken under Regulation (EEC) No 1162/76² on measures designed to adjust wine-growing potential to market requirements, as last amended by Regulation (EEC) No 3140/76³, prohibited all new planting of vine varieties classified as wine grape varieties during the period from 1 December 1976 to 30 November 1978 with the exception of

- (a) new plantings intended for the production of quality wines psr in Member States whose production of quality wines psr was less than 50% of the total wine production during the 1972/73, 1973/74 and 1974/75 wine-growing years.
- (b) new planting carried out under development plans which meet the conditions laid down in Council Directive 72/159/EEC;
- (c) new planting carried out in Member States which produce less than 5000 hl. of wine annually using grapes harvested on their territory;

¹ For all these figures see 'The agricultural situation in the Community, 1977 report' (Doc. 510/77), pp. 67 and 68

² OJ No L 135, 24.5.1976, p. 32 - see Doc. 187/75, rapporteur: Mr Della Briotta

³ OJ No L 354, 24.12.1976, p.4 - see Doc. 443/76, rapporteur: Mr Liogier

- (d) new planting carried out following reparable measures or expropriation measures in the public interest, adopted pursuant to existing national legislation.

3. These measures aimed in particular at curbing any increase in table wine production and thereby improving the quality of wines produced in the Community.

The prohibition on the new planting of vine varieties suitable only for the production of table wine will now expire on 30 November 1978, unless the Council decides to extend the period of its validity by 1 December 1978.

Article 5(1) of Regulation (EEC) No 1162/76 stipulates that the Council must adopt by 1 October 1978 'the measures necessary to ensure that wine-growing potential is adapted to market requirements, taking into account the suitability for wine production of the various regions of the Community, and the existence in each of these regions of viable alternatives in terms of agricultural crops.'

4. The present Commission proposals must be viewed in this light, as must the Council's intention to take before 1 October 1978 the measures necessary to ensure that wine-growing potential is adapted to market requirements, taking into account the suitability for wine production of the various regions of the Community. The Commission proposals are designed to

- (a) set up a European Joint-Trade Table Wine Organization (EJTTWO),
- (b) to amend Regulation (EEC) No 816/70 laying down additional provisions for the common organization of the market in wine with a view to introducing compulsory storage of table wines to restore price levels or banning transactions in table wines below a given floor price.

5. At its 516th meeting held from 8 to 12 May 1978, the Council was unable to adopt these proposals and even advocated an approach which differs significantly from the Commission's. For this reason, the Commission has preferred to withdraw its proposals, with the exception, however, of Article 6 of the proposed regulation amending Regulation (EEC) No 816/70¹, which contains certain amendments of minor significance by comparison with the more important amendments to the basic regulation originally envisaged.

¹ See Council press release 562/78 (Presse 61)

II. CONSIDERATION OF THE AMENDMENTS TO REGULATION (EEC) No. 816/70

6. Article 6 of the proposed regulation lays down measures of two kinds:

- those which are highly political in nature and are designed to raise the alcoholic strength of table wine as the basis for distillation or the definition of such wines,
- those which are technical and are solely designed to rectify printing errors or improve the accuracy of certain definitions.

A. Political measures

(1) Article 6(1)

7. In the case of table wines other than types R III, A II and A III, i.e. wines from the Mediterranean regions of the Community (see Annex 1), the threshold at which a decision to distil may be taken is raised from 9.5% to 10% vol. (amendment of Article 4a(2) of Regulation (EEC) No 816/70¹). The measure is designed to rationalize the market and improve quality.

(2) Article 6(5)

8. Article 6(5) amends the third indent of point 10 of Annex II² concerning the definition of table wine.

Under the terms of the third indent of point 10, table wine is defined as wine other than quality wine psr which is produced in the Community, is derived exclusively from recommended or authorized vine varieties and 'has, following application, if any, of the processes specified in Article 19 (i.e. increase in natural alcoholic strength through partial concentration by chilling³), an alcoholic strength of not less than 8.5% vol., provided that it derives exclusively from grapes harvested in wine-growing zones A and B, and not less than 9% vol. in other wine-growing zones, and a total alcoholic strength of not more than 15% vol'.

¹ See Regulation (EEC) No. 1677/77 amending Regulation (EEC) No. 816/70; OJ No. L 187, 27.7.1977, p.6

² See Regulation (EEC) No. 1160/76 amending Regulation (EEC) No. 816/70; OJ No. L 135, 24.5.1976, p. 1

³ See Article 19 of Regulation (EEC) No. 816/70; OJ No. L 99, 5.5.1970, p. 1

9. The proposed regulation requires table wines produced in wine-growing zone C, i.e. wine produced in the Mediterranean regions of the Community (see Annex II), to have a natural alcoholic strength of not less than 9.5% vol. This increase in the alcoholic strength is, according to the Commission, designed to improve the quality of table wines produced in the southern regions of the Community.

10. The Committee on Agriculture does not regard the proposed regulation as the appropriate framework for the discussion of measures which require detailed consideration and which should be seen in a wider context. The Committee on Agriculture therefore reserves its position on paragraphs 1 and 5 of Article 6 pending the appearance of the new programme on table wines which the Commission is shortly to submit to the Council.

B. Technical measures

(1) Article 6(2)

11. Article 6(2), amending Article 22(2) of Regulation (EEC) No 816/70¹ is designed to bring wine-growing zones C II and C III into line with zones C I(a) and C I(b) as regards the date on which acidification and deacidification or an increase in alcoholic strength may be effected.

(2) Article 6(3)

12. Producers whose vineyards are situated outside wine-growing zone A or the German part of wine-growing zone B will be obliged to distil wine lees and grape marc resulting from the processing of fresh grapes, grape must, grape must in fermentation or new wine still in fermentation.

The amendment proposed in Article 6(3) of the proposed regulation to Article 24(2) of Regulation (EEC) No 816/70² adds to this compulsory distillation wine lees and grape marc resulting from the processing of fresh grapes into grape must or concentrated grape must. This amendment is designed to overcome any problems arising upon a change of operator during processing so that the processors are not put in a more favourable position than the producers themselves.

¹ See Regulation (EEC) No. 2211/77 amending Regulation EEC No. 816/70; OJ No. L 256, 7.10.1977, p. 1

² See Regulation (EEC) No. 1160/76 amending Regulation No. 816/70; OJ No. L 135, 24.5.1976, p. 1

Derogations from this rule were made under the procedure laid down in Article 43(2) of the EEC Treaty, as is shown by the following provision¹:

'Except in the case of the producers referred to in paragraph 5 and save where a derogation is decided on by the Council, acting on a proposal from the Commission and in accordance with the voting procedure laid down in Article 43(2) of the Treaty...'

The proposal under consideration no longer refers to the procedure which stipulates consultation of the European Parliament, as is indicated in Article 6(3), which reads:

'With the exception of the producers referred to in paragraph 5 and except by way of derogation decided by the Council, acting by a qualified majority on a proposal from the Commission...'

The Committee on Agriculture feels that the original wording offered better guarantees to the producers concerned, whose vineyards are mainly situated on the small islands off Sicily.

(3) Article 6(4)

13. Article 6(4), amending Article 26a(2) (d) of Regulation (EEC) No.816/70² which stipulates the maximum sulphur dioxide content for certain white wines, adds 'Ausbruch' and 'Ausbruchwein' to the list. This amendment is designed to comply with Austrian requests that its wines be treated in the same way as certain German wines which they resemble.

(4) Article 6(6) and (7)

14. Finally, Article 6(6) and (7) contains two minor amendments to Annex II of Regulation (EEC) No 816/70 aimed at correcting a definition and rectifying an omission:

- the amendment to point 2 of Annex II of Regulation (EEC) No 816/70 adds the words 'with a natural alcoholic strength of not more than 1% vol.' This simply gives a more precise definition of grape must which contains very small quantities of alcohol.
- the words 'and quality wine psr' are added to the introduction to paragraph 2 of Annex IIa³. This merely rectifies an omission. Consequently, this amendment calls for no further comment.

¹ See article 24(2) of Regulation (EEC) No. 816/70 as amended by Regulation (EEC) No. 1160/76, p. 14; OJ No. L 135, 24.5.1976, p.1

² See Regulation (EEC) No. 1679/77 amending Regulation (EEC) No.816/70; OJ No. L 187, 27.7.1977, p. 15

³ See Regulation (EEC) No. 1678/77 supplementing Regulation (EEC) No. 816/70; OJ No. L 187, 27.7.1977, p. 10

III. CONCLUSIONS

15. Apart from the wording of Article 6(3), where the Committee on Agriculture considers that the present version of Article 24(2) of Regulation (EEC) No. 816/70 offers better guarantees, technical amendments proposed by the Commission find the approval of the Committee on Agriculture.

However, the committee reserves its position on the two political measures concerning the alcoholic strength of table wines pending the appearance of the new programme which the Commission is to forward to the Council with a view to reorganizing the market in table wines, either by new measures for the management of the market or by structural measures.

TYPES OF TABLE WINE AND MARKETING CENTRES

R I

Bastia
Béziers
Montpellier
Narbonne
Nîmes
Perpignan
Asti
Firenze
Lecce
Pescara
Reggio Emilia
Treviso
Verona
(for local wines)

R II

Bastia
Brignoles
Bari
Barletta
Cagliari
Lecce
Taranto

R III

Rheinpfalz-Rheinhessen
(Hügelland)

A I

Bordeaux
Nantes
Bari
Cagliari
Chieti
Ravenna (Lugo, Faenza)
Trapani (Alcamo)
Treviso

A II

Rheinpfalz (Oberhaardt)
Rheinhessen (Hügelland)
The wine-growing region of the
Luxembourg Moselle

A III

Mosel-Rheingau
The wine-growing region of the
Luxembourg Moselle

WINE GROWING ZONES OF THE COMMUNITY¹Wine-growing zone A shall comprise:

- (a) in Germany, the areas under vines in the following Länder: Baden-Württemberg (excluding the Regierungsbezirke Nordbaden and Südbaden), Bavaria, Hessen, North Rhine-Westphalia, Rhineland-Palatinate, Saarland;
- (b) in Belgium: the Belgian wine-growing area;
- (c) in Luxembourg: the Luxembourg wine-growing region;
- (d) in the Netherlands: the Netherlands wine-growing area;
- (e) in the United Kingdom: the United Kingdom wine-growing area.

Wine-growing zone B shall comprise:

- (a) in Germany, in Baden-Württemberg, the areas under vines in Regierungsbezirke Nordbaden and Südbaden;
- (b) in France, the areas under vines in the following departments:
 - in Alsace:
Bas-Rhin, Haut-Rhin;
 - in Lorraine:
Meurthe-et-Moselle, Meuse, Moselle, Vosges;
 - in Champagne:
Aisne, Aube, Marne, Haute-Marne, Seine-et-Marne;
 - in the Jura:
Ain, Doubs, Jura, Haute-Saône;
 - in Savoie,
Savoie, Haute-Savoie;
 - in the Val de Loire:
Cher, the Deux-Sèvres, the Indre, Indre-et-Loire, Loir-et-Cher, Loire-Atlantique, Loiret, Maine-et-Loire, Sarthe, Vendée, Vienne, and the wine growing areas under vines in the arrondissement of Cosne-sur-Loire in the department of the Nièvre.

¹ See Regulation (EEC) No 1160/70, p.22 (OJ No L 135, 24.5.1976, p.1) amended by Regulation (EEC) No 2829/76, Article 1b(4) and (5) (OJ No L 326, 25.11.1976)

In France, wine-growing zone C Ia shall comprise the areas under vines:

(a) in the following departments:

Allier, Alpes-de-Haute-Provence, Hautes-Alpes, Alpes-Maritimes, Ariège, Aveyron, Cantal, Charente, Charente-Maritime, Corrèze, Côte-d'Or, Dordogne, Haute-Garonne, Gers, Gironde, Isère, Landes, Loire, Haute-Loire, Lot, Lot-et-Garonne, Nièvre (excluding the arrondissement of the Cosne-sur-Loire), Puy-de-Dôme, Pyrénées-Atlantiques, Hautes-Pyrénées, Rhône, Saône-et-Loire, Tarn, Tarn-et-Garonne, Haute-Vienne, Yonne;

(b) in the arrondissement of Valance and Die in the department of the Drôme (except the cantons of Dieulefit, Loriol, Marsanne and Montélimar);

(c) in the department of Ardèche: the whole of the arrondissement of Tournon and the cantons of Artraigues, Buzet, Coucournon, Montpezat-sous-Bauzon, Privas, Saint-Etienne de Lugdarès, Saint-Pierre-Valgorgue and la Voulte-sur-Rhône.

In Italy, wine-growing zone C Ib shall comprise the areas under vines in the Valle d'Aosta region and in the provinces of Sondrio, Bonzano, Trento and Belluno.

Wine growing zone C II shall comprise:

(a) in France, the areas under vines:

- in the following departments:

Aude, Bouches-du-Rhône, Gard, Hérault, Pyrénées-Orientales (except the cantons of Olette and Arles-sur-Tech), Vaucluse;

- in the part of the department of the Var bounded in the south by the northern limit of the communes of Evenos, Le Beausset, Solliès-Toucas, Cuers, Puget-Ville, Collobrières, La Garde-Freinet, Plan-de-la-Tour and Sainte-Maxime;

(b) in Italy, the areas under vines in the following regions:

Abruzzo, Campania, Emilia-Romagna, Friuli-Venezia Giulia, Lazio, Liguria, Lombardia, excluding the province of Sondrio, Marche, Molise, Piemonte, Toscana, Umbria, Veneto, excluding the province of Belluno, including the islands belonging to those regions, such as Elba and the other islands of the Tuscan archipelago, the Ponziolo Archipelago and Capri and Ischia.

Wine-growing zone C III shall comprise:

(a) in France, the areas under vines:

- in the department of Corsica;

- in that part of the department of the Var situated between the sea and a line bounded by the communes (which are themselves included) of Evenos, Le Beausset, Solliès-Toucas, Cuers, Puget-Ville, Collobrières, La Garde-Freinet, Plan-de-la-Tour and Sainte-Maxime;

- in the cantons of Olette and Arles-sur-Tech in the department of Pyrénées-Orientales;

(b) in Italy, the areas under vines in the following regions:

Calabria, Lucania, Puglia, Sardegna and Sicilia, including the islands belonging to those regions, such as Pantelleria, Eolie and the Lipari Egadi and Pelagian Islands.

